

### *Will Extend Tax Cut for Businesses That Hire Previously Unemployed Workers*

**Washington, DC** – Rep. Bruce Braley (D-Iowa) announced today he has introduced legislation to extend a provision of the *HIRE Act* that provides employers a payroll tax break if they hire previously-unemployed workers. The tax cut, based on Braley's *Back to Work Act*

, exempts employers from paying their share of payroll taxes if they hire an employee who has been unemployed for more than 60 days prior to hiring. According to the US Treasury Department, more than 53,733 Iowa workers hired between February and June 2010 are eligible for the Braley tax cut.

“As we continue to strengthen our economy, we need to invest in programs that are proven to create jobs,” Braley said. “Between February and June of this year, Iowa businesses hired more than 53,000 workers who are eligible for this tax cut. We need to continue giving employers incentives to create jobs and hire unemployed workers, and this tax cut does exactly that.”

The *Back to Work Extension Act* will exempt small businesses from paying the employer's share of the social security tax for up to one year through December 31, 2011, if they hire workers who have been unemployed for more than 60 days prior to employment. Employers who keep eligible employees on the payroll for 52 consecutive weeks will receive an additional \$1,000 tax credit. The previous *Back to Work Act* exempted employers from paying payroll taxes through December 31, 2010.

If enacted before December 31, 2010, the *Back to Work Extension Act* will provide employers a 12-month exemption for hiring previously unemployed workers. Employees hired after January 1, 2011, will be eligible through December 31, 2011.